6/29/88 AO400-1 A

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS JUNE 1988

INDUSTRY SHIPMENTS DECLINE 1.1%

Total industry net shipments for the first four months of 1988, reported at 5,264 million pounds, were down 1.1 percent from the four month 1987 total of 5,321 million pounds.

Domestic shipments of 4,840 million pounds were down 1.8 percent from the four month 1987 total of 4,929 million pounds.

Exports of ingot and mill products of 424 million pounds were up 7.9 percent from the first four months of 1987 while imports declined 5.3 percent for the same period.

THRU APRIL 1988

	1988 4 Mos.	1987 4 Mos.	% Change
Mill Products	4,376	4,232	3.4
Ingot	888	1,089	-18.5
Total	5,263	5,321	-1.1
Less Exports	423	392	7.9
Domestic Total	4,840	4,929	-1.8

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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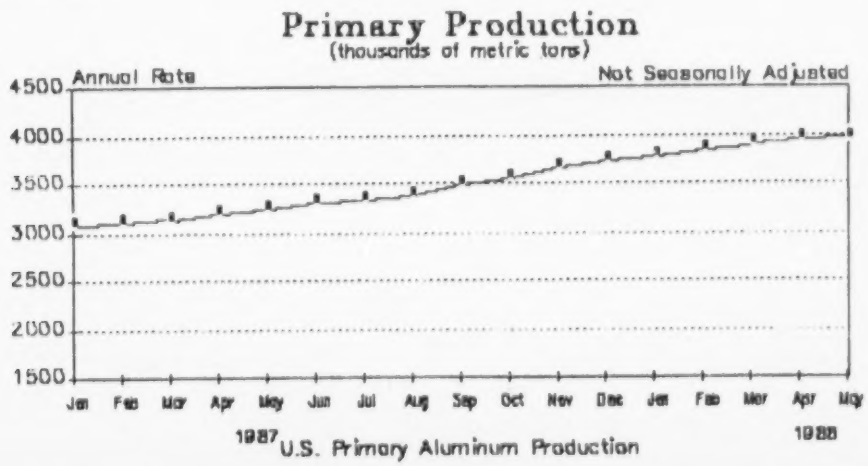
PRIMARY PRODUCTION DAILY RATE 10,825 METRIC TONS

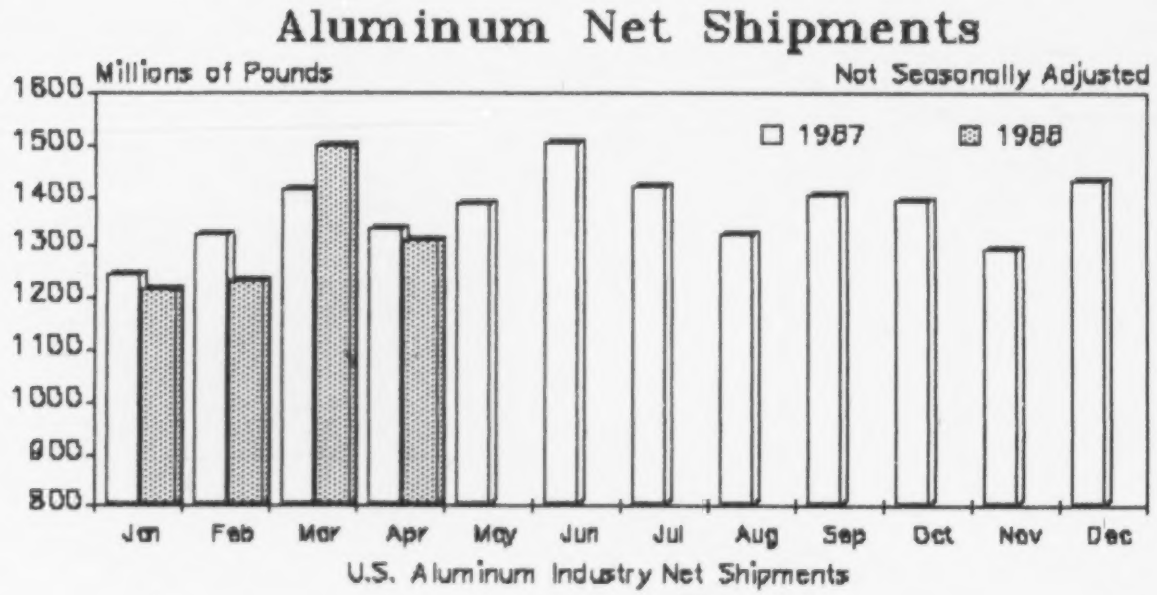
U.S. Primary aluminum production averaged 10,825 metric ton daily during May 1988. This compares with an average of 8,867 metric tons a day in May 1987 and 10,788 metric tons a day in April 1988. The annual rate of production in May 1988 was 3,961,785 metric tons compared with 3,236,561 metric tons in May 1987 and 3,948,249 metric tons in April 1988. Actual production in May 1988 was 335,561 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

INDUSTRY NET SHIPMENTS DOWN AGAIN IN APRIL

Total industry net shipments for the first four months of 1988, reported at 5,264 million pounds, were down 1.1 percent from the four month 1987 total of 5,321 million pounds. Domestic shipments of 4,840 million pounds were down 1.8 percent from the four month 1987 total of 4,929 million pounds.

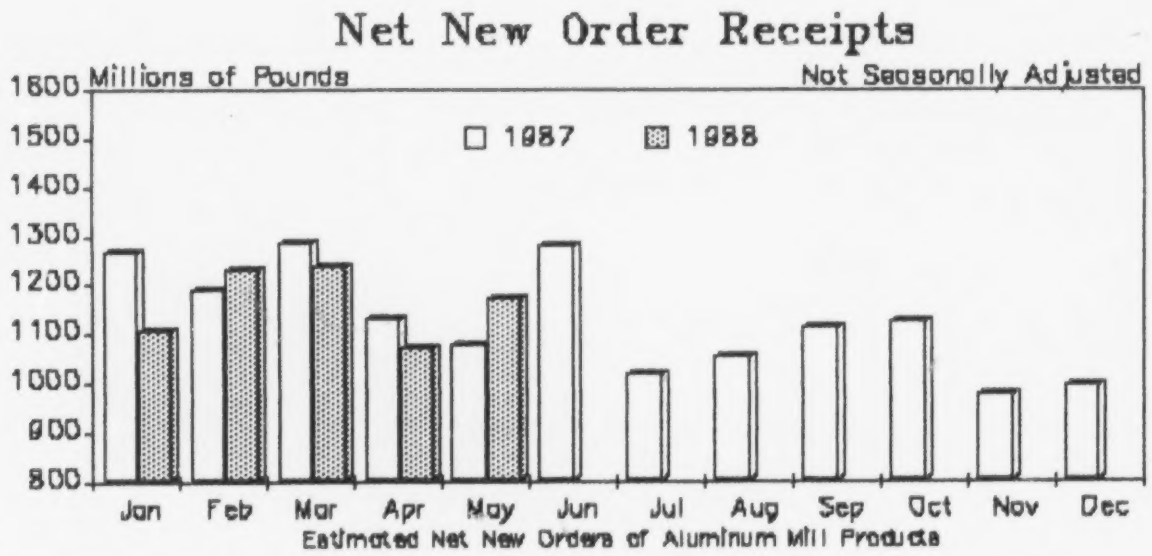


NET SHIPMENTS (Millions of Pounds)	1988 April	1987 April	1988 4 Mos.	1987 4 Mos.	% Change 1988 vs 1987
Sheet	580.8	593.3	2,293.7	2,263.7	1.3
Plate	25.0	21.5	97.1	92.0	5.6
Foil	79.2	72.9	312.6	290.3	7.7
Rod,Bar & Wire	29.7	32.6	115.1	119.9	-4.0
Elec. Conductor	57.2	53.7	224.7	197.5	13.8
Extruded Shapes,Tube	239.1	230.0	921.9	891.1	3.5
Powder & Paste	7.4	6.4	27.4	29.1	-5.8
Forgings & Impacts	14.1	12.7	60.0	51.1	17.5
Net Imports of Mill Products (Total) (a)	75.0	53.8	323.2	297.4	8.7
Total Mill Products	1,107.5	1,077.0	4,375.7	4,232.0	3.4
Ingot (b)	206.2	260.9	887.8	1,089.0	-18.5
TOTAL INDUSTRY SHIPMENTS	1,313.7	1,337.9	5,263.5	5,321.0	-1.1
Exports	112.6	106.9	423.5	392.4	7.9
TOTAL DOMESTIC SHIPMENTS	1,201.1	1,231.0	4,840.0	4,928.6	-1.8

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 2.3 PERCENT

Estimated net new order receipts of aluminum mill products for five months of 1988, totaling 5,815 million pounds, dropped 2.3 percent versus the same period of 1987. Total net new orders of aluminum mill products for the month of May 1988 increased to 1,107 million pounds, up 3.3 percent from the April 1988 total of 1,071 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1988 May	1987 May	1988 5 Mos.	1987 5 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	399.0	442.4	2,023.6	2,358.8	-14.2
Can Stock	352.2	267.1	1,739.3	1,563.8	11.2
Foil	93.1	70.4	455.4	432.9	5.2
Bar, Rod & Wire	22.9	37.0	175.4	172.3	1.8
Electrical Conductor	74.2	56.0	322.1	277.0	16.3
Extruded Shapes & Tube	205.6	181.3	991.6	1,030.4	-3.8
Powder & Paste	6.6	12.1	38.0	49.8	-23.7
Forgings & Impacts	16.5	10.5	69.5	63.8	8.9
Total Mill Products	1,170.1	1,076.8	5,814.9	5,948.8	-2.3

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES INCREASE 35 MILLION POUNDS

Producer inventories increased in April 1988 to a total of 4,423 million pounds. This represents a 35 million pound increase from the March 1988 level of 4,388 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
Jan	4,344	1,511	557	2,276
Feb	4,401	1,522	547	2,332
Mar	4,388r	1,467r	567r	2,354r
Apr	4,423	1,415	610	2,398

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

CUSTOMER INVENTORIES REPORTED AT 35.4 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of April 30, 1988 was 35.4, down 3.0 percent from March 1988.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

Jan 88	36.7
Feb 88	37.5
Mar 88	36.5
Apr 88	35.4

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports (Millions of Pounds)		1988 April	1987 April	1988 4 Mos.	1987 4 Mos.	% Change 1988 vs 1987
Imports	Mill Products	79.2	69.7	350.1	334.9	4.5
	Ingot	195.5	211.9	850.6	933.2	-8.8
	Total	274.7	281.6	1,200.8	1,268.1	-5.3
	Scrap (+ dross)	33.1	33.0	145.0	141.8	2.3
	Grand Total	307.8	314.6	1,345.8	1,409.8	-4.5
Exports	Mill Products	66.7	54.8	263.1	206.6	27.3
	Ingot	45.9	52.1	160.4	185.8	-13.7
	Total	112.6	106.9	423.4	392.4	7.9
	Scrap	92.9	74.6	268.0	264.1	1.5
	Grand Total	205.5	181.5	691.5	656.5	5.3
Net Imports		102.4	133.1	654.3	753.3	-13.2

Source: Bureau of the Census, U.S. Department of Commerce.